



General Assembly

February Session, 2008

Substitute Bill No. 5798

* _____HB05798APP____042308_____*

AN ACT ESTABLISHING A TAX CREDIT FOR GREEN BUILDINGS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2008, and applicable to income*
2 *years commencing on or after January 1, 2010*) (a) As used in this section:

3 (1) "Allowable costs" means the amounts chargeable to a capital
4 account, including, but not limited to, costs for: (A) Construction or
5 rehabilitation; (B) commissioning; (C) interest paid during the
6 construction or rehabilitation period; (D) legal, architectural,
7 engineering and other professional fees allocable to construction or
8 rehabilitation, including energy modeling; (E) closings for construction
9 or mortgage loans; (F) recording taxes and filing fees for construction
10 or rehabilitation; (G) site work, such as temporary electric wiring,
11 scaffolding, demolition, and fencing and security; and (H) carpeting,
12 partitions, walls and wall coverings, ceilings, lighting, plumbing,
13 electrical wiring, mechanical, heating, cooling and ventilation,
14 excluding costs for purchase of land, remediation or telephone systems
15 or computers;

16 (2) "Applicant" means any individual, partnership, limited liability
17 company, corporation, nonprofit organization or institutional project
18 organization that is the owner or developer of a certified project and
19 that applies for a tax credit under this section;

20 (3) "Certified project" means a real estate development project that
21 has been issued a certificate by the United States Green Building
22 Council stating that such project has met or exceeded the applicable
23 green building rating system silver certification or a certificate for a
24 similar certification by another organization determined to be
25 equivalent by the Commissioner of Environmental Protection, except
26 that if a single project consists of more than one building, "certified
27 project" means a building or buildings within such project that has
28 been issued such certificate;

29 (4) "Eligible project" means a real estate development project that is
30 designed to meet or exceed the applicable green building rating system
31 silver certification or any other certification determined to be
32 equivalent by the Commissioner of Environmental Protection; except
33 that if a single project consists of more than one building, "eligible
34 project" means one or more buildings within such project which is or
35 are designed to meet or exceed the applicable green building rating
36 system silver certification or any other certification determined to be
37 equivalent by the Commissioner of Environmental Protection;

38 (5) "Accredited professional program" means any one of the
39 professional accreditation program for architects, engineers and other
40 building professionals as administered by the United States Green
41 Building Council or any other professional program determined to be
42 equivalent by the Commissioner of Environmental Protection;

43 (6) "Green building rating system" means any one of the leadership
44 in energy and environmental design green building rating systems
45 developed by the United States Green Building Council or any other
46 system determined to be equivalent by the Commissioner of
47 Environmental Protection on or before registration of the project with
48 the United States Green Building Council or other rating organization;
49 and

50 (7) "Major renovation" means the renovation or improvement of a
51 building, the cost of which is at least fifty per cent of the replacement

52 cost of a building.

53 (b) For income years commencing on and after January 1, 2010, but
54 prior to January 1, 2012, there shall be allowed a credit for all taxpayers
55 against any tax due under the provisions of chapter 208 of the general
56 statutes for the cost of construction or renovation of a certified project,
57 and, in the case of a newly constructed building, for which a certificate
58 of occupancy has been issued not earlier than January 1, 2009. The
59 amount of the credit shall not exceed twenty-five million dollars in the
60 aggregate for the duration of the program.

61 (c) The credit shall be equivalent to a base credit of (1) for new
62 construction or major renovation of a building certified by the green
63 building rating system or other system determined by the
64 Commissioner of Environmental Protection to be equivalent, (A) eight
65 per cent of allowable costs for a silver rating, (B) nine per cent of
66 allowable costs for a gold rating, and (C) ten per cent of allowable costs
67 for a platinum rating; and (2) for core and shell or commercial interior
68 projects, (A) three per cent of allowable costs for a silver rating, (B)
69 four per cent of allowable costs for a gold rating, and (C) six per cent of
70 allowable costs for a platinum rating. Total allowable costs shall be not
71 more than seventy-five dollars per square foot of the building.

72 (d) (1) The Secretary of the Office of Policy and Management shall
73 issue an initial credit certificate if the secretary determines that the
74 applicant is likely, within a reasonable time, to place in service
75 property which would warrant the allowance of a credit under this
76 section. Such certificate shall state (A) the first taxable year for which
77 the credit may be claimed, (B) the maximum amount of credit
78 allowable, and (C) an expiration date by which such property must be
79 placed in service, which expiration date may be extended at the
80 discretion of the Secretary of the Office of Policy and Management.
81 Such certificate shall reserve the credit allowable for the applicant
82 named in the application until the date of expiration, but the credit
83 must be applied to an income year commencing on or after January 1,
84 2010, but prior to January 1, 2012. The secretary may extend the

85 reservation of the credit.

86 (2) No initial credit certificates in the aggregate for more than
87 twenty-five million dollars shall be issued by the Secretary of the
88 Office and Policy and Management.

89 (3) For each income year for which a taxpayer claims a credit under
90 this section, the taxpayer shall obtain an eligibility certificate from an
91 architect or professional engineer licensed to practice in this state and
92 accredited through an accredited professional program. Such
93 certificate shall consist of a certification, under the seal of the architect
94 or engineer, that the building, base building or tenant space with
95 respect to which the credit is claimed, meets or exceeds the applicable
96 green building rating system silver certification or other certification
97 determined to be equivalent by the Commissioner of Environmental
98 Protection which was in effect at the time of certification. The
99 certification shall set forth the specific findings upon which the
100 certification is based and shall state that the architect or engineer is
101 accredited through the accredited professional program.

102 (4) To obtain the credit, the applicant shall file (A) the initial credit
103 certificate pursuant to subdivisions (1) and (2) of this subsection, (B)
104 the eligibility certificate described in subdivision (3) of this subsection,
105 (C) a copy of the certificate from the United States Green Building
106 Council stating that the eligible project has met or exceeded the
107 applicable green building rating system silver certification or a copy of
108 other certification by a rating organization determined to be equivalent
109 by the Commissioner of Environmental Protection, and (D) an
110 application to claim the credit with the Commissioner of the
111 Department of Revenue Services. The applicant shall send a copy of
112 such documents to the Secretary of the Office of Policy and
113 Management.

114 (e) (1) A taxpayer may claim not more than a total of sixty per cent
115 of allowable costs in any income year, and any percentage of tax credit
116 that the taxpayer would otherwise be entitled to in accordance with

117 subsection (c) of this section may be carried forward for a period of not
118 more than five years.

119 (2) Any credit allowed pursuant to this section may be sold,
120 assigned or otherwise transferred, to one or more taxpayers. If an
121 applicant sells, assigns or otherwise transfers such credit, the
122 transferor and transferee shall jointly submit written notification of
123 such transfer to the Commissioner of Revenue Services not later than
124 thirty days after such transfer. The notification shall include any
125 information required by said commissioner. Failure to comply with
126 this subdivision shall result in a disallowance of such credit until there
127 is full compliance by the transferor and transferee.

128 (f) Notwithstanding any provision of the general statutes, any
129 subsequent successor in interest to the property that is eligible for a
130 credit in accordance with subsection (c) of this section may claim such
131 credit if the deed transferring the property assigns the subsequent
132 successor such right, unless the deed specifies that the seller shall
133 retain the right to claim such credit. Any subsequent tenant of a
134 building, for which a credit was granted to a taxpayer pursuant to this
135 section, may claim the credit for the period after the termination of the
136 previous tenancy that such credit would have been allowable to the
137 previous tenant.

138 (g) Not later than January 1, 2009, the Secretary of the Office of
139 Policy and Management, in consultation with the Commissioners of
140 Environmental Protection and Revenue Services, shall adopt
141 regulations, in accordance with the provisions of chapter 54 of the
142 general statutes, to implement the provisions of this section.

143 Sec. 2. (*Effective from passage*) On or before July 1, 2011, the Secretary
144 of the Office of Policy and Management, in consultation with the
145 Commissioners of Environmental Protection and Revenue Services,
146 shall prepare and submit to the Governor, and the joint standing
147 committees of the General Assembly having cognizance of matters
148 relating to the environment, finance, revenue and bonding, and

PD	Joint Favorable Subst. C/R	FIN
FIN	Joint Favorable Subst.	
APP	Joint Favorable	